File No. 338

19 C928

Collection No.

10

RL 6-47

NC-1

17/6

Pros. Serial Nos. 1 - 28

29-30 in B.B

P-50

Subject.

Central Board of Rev Circulars

Previous References.

Later References.

(Blue.)

R.Dis.No. 534-I-I.T./28.
Central Board of Revenue.

Simla, the 26th September 1928.

From

D.Gladding, Esquire, I.C.S.,
Offg.Secretary, Central Board of Revenue.

PRESIDENT'S OFFICE
3/10 BANGALORE
Register No. 9503
Date of Receipt 2/10/28

To

The Commissioner of Income-tax, Madras. No. 3818

Sir,

Salaries-Government pleaders-Fees-Deduction at source-Liability to taxation.
Your letter No. 716/28, dated the 14th September 1928.

In reply to your letter quoted above, I am directed to state that fees (other than retaining fees) paid to Government pleaders and Public Prosecutors are not 'salaries' within the meaning of Section 7 of the Indian Income-tax Act, 1922 (XI of 1922), but "professional earnings" within the meaning of Section 11 of the same Act. The expression "professional fees" is actually used in sub-section (3) of Section 11.

I have the honour to be,
Sir,

Your most obedient servant,

D.Gladding,
28.9.28.

Offg. Secretary, Central Board of Revenue.

Copy of correspondence forwarded to other Commissioners of Income-tax for information and guidance.

By order, etc.,

for Secretary, Central Board of Revenue.

No. 9541 Genl dt 11th Oct 1928
Copy forwarded to the
Comr. & Asstt. Comrs.
of Income-tax, Coms
Stations, Bangalore.
HK
7.9

for Secy to the Resdt
&
Comrs of Income-tax

Copy of letter No. 716/28, dated the 14th September 1928, from Commissioner of Incometax, Madras, to the Secretary, Central Board of Revenue, Simla.

Fees-Government Pleaders and Public Prosecutors
Deduction of tax at source.

When Mr. Tottenham was in Madras recently he was enquiring whether fees paid by Government to Government Pleaders and Publi Prosecutors are subject to deduction of tax at the source, and he directed me to write to the Board for instructions on the subject.

2. Questions of this kind have arisen here both in regard to Public Prosecutors and Government Pleaders properly so-called, who are paid a retaining fee by Government, and in regard to Pleaders in mufassal stations regularly employed on Government work to whom no retaining fee is paid. The practice is not to tax at the source the fees paid to the latter class. In regard to the former class, however, the practice in this Presidency has been to treat the retaining fee as a salary, and all the other fees paid by Government to these-persons as fees received in addition to the salary. Thus all remuneration paid to these persons is regarded at present as income taxable under the head "Salaries" and as being therefore liable to deduction of tax under Section 18 (1). Mr. Tottenham tentatively expressed the view that this procedure was wrong. I request instructions from the Board on the subject.

ZHK
27.9

No. 42 of 1928.

R. Dis. No. 889-I.T./28.

CENTRAL BOARD OF REVENUE,

New Delhi, the 3rd November 1928.

10737
14/11/28.
38/18

C I R C U L A R.

Assessment - Proceedings under Section 34 - Claim of rebate on account of Life Insurance Premia - Permissibility of -.

The question has been raised whether abatement of tax on account of Life Insurance Premia can be allowed in a proceeding under section 34 of the Indian Income-tax Act, XI of 1922, if no such claim has been made at the time of the original assessment under section 23. One Commissioner of Income-tax has held the view that the abatement can be allowed in a case under section 34 only if the assessment under that section is itself an original assessment; while another Commissioner has given his opinion that abatement should be allowed in all proceedings under section 34 irrespective of whether the proceeding under that section relates to an original assessment or to a supplementary assessment. Though there is some doubt as to which of these views is correct, the Board has decided, on the principle that taxing enactments should be construed in favour of the subject wherever there is any ambiguity, that a claim to abatement on account of payment of insurance premia, etc., of the nature described in section 15, should be accepted in proceedings under section 34 irrespective of whether such proceedings are original or supplementary. There is no time prescribed under section 15 within which a claim for deduction on account of such payments has to be made, and the Board is therefore of opinion that the fact that a claim is not made at the time of assessment under section 23 should not be held to be a bar to making the claim if there are any subsequent proceedings under section 34.

Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

No. 10827. Copy forwarded to The Coll^r. & Asstt. Commr^s of Income-tax, Cochin, Bangalore

for Secy: to the Resd^t Commr^r. of Income-tax

No. 42 of 1928.

R. Dis. No. 889-I.T./28.

CENTRAL BOARD OF REVENUE.

New Delhi, the 3rd November 1928.

C I R C U L A R.

Assessment - Proceedings under Section 34 - Claim of rebate on account of Life Insurance Premia - Permissibility of -.

The question has been raised whether abatement of tax on account of Life Insurance Premia can be allowed in a proceeding under section 34 of the Indian Income-tax Act, XI of 1922, if no such claim has been made at the time of the original assessment under section 23. One Commissioner of Income-tax has held the view that the abatement can be allowed in a case under section 34 only if the assessment under that section is itself an original assessment; while another Commissioner has given his opinion that abatement should be allowed in all proceedings under section 34 irrespective of whether the proceeding under that section relates to an original assessment or to a supplementary assessment. Though there is some doubt as to which of these views is correct, the Board has decided, on the principle that taxing enactments should be construed in favour of the subject wherever there is any ambiguity, that a claim to abatement on account of payment of insurance premia, etc., of the nature described in section 15, should be accepted in proceedings under section 34 irrespective of whether such proceedings are original or supplementary. There is no time prescribed under section 15 within which a claim for deduction on account of such payments has to be made, and the Board is therefore of opinion that the fact that a claim is not made at the time of assessment under section 23 should not be held to be a bar to making the claim if there are any subsequent proceedings under section 34.

V. S. SUNDARAM,

Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

No. 42 of 1928.

R. Dis. No. 889-I.T./28.

CENTRAL BOARD OF REVENUE.

New Delhi, the 3rd November 1928.

C I R C U L A R.

Assessment - Proceedings under Section 34 - Claim of rebate on account of Life Insurance Premia - Permissibility of -

The question has been raised whether abatement of tax on account of Life Insurance Premia can be allowed in a proceeding under section 34 of the Indian Income-tax Act, XI of 1922, if no such claim has been made at the time of the original assessment under section 23. One Commissioner of Income-tax has held the view that the abatement can be allowed in a case under section 34 only if the assessment under that section is itself an original assessment; while another Commissioner has given his opinion that abatement should be allowed in all proceedings under section 34 irrespective of whether the proceeding under that section relates to an original assessment or to a supplementary assessment. Though there is some doubt as to which of these views is correct, the Board has decided, on the principle that taxing enactments should be construed in favour of the subject wherever there is any ambiguity, that a claim to abatement on account of payment of insurance premia, etc., of the nature described in section 15, should be accepted in proceedings under section 34 irrespective of whether such proceedings are original or supplementary. There is no time prescribed under section 15 within which a claim for deduction on account of such payments has to be made, and the Board is therefore of opinion that the fact that a claim is not made at the time of assessment under section 23 should not be held to be a bar to making the claim if there are any subsequent proceedings under section 34.

V. S. SUNDARAM,

Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

No. 42 of 1928.

R. Dis. No. 889-I.T./28.

CENTRAL BOARD OF REVENUE.

New Delhi, the 3rd November 1928.

C I R C U L A R.

Assessment - Proceedings under Section 34 - Claim of rebate on account of Life Insurance Premia - Permissibility of -.

The question has been raised whether abatement of tax on account of Life Insurance Premia can be allowed in a proceeding under section 34 of the Indian Income-tax Act, XI of 1922, if no such claim has been made at the time of the original assessment under section 23. One Commissioner of Income-tax has held the view that the abatement can be allowed in a case under section 34 only if the assessment under that section is itself an original assessment; while another Commissioner has given his opinion that abatement should be allowed in all proceedings under section 34 irrespective of whether the proceeding under that section relates to an original assessment or to a supplementary assessment. Though there is some doubt as to which of these views is correct, the Board has decided, on the principle that taxing enactments should be construed in favour of the subject wherever there is any ambiguity, that a claim to abatement on account of payment of insurance premia, etc., of the nature described in section 15, should be accepted in proceedings under section 34 irrespective of whether such proceedings are original or supplementary. There is no time prescribed under section 15 within which a claim for deduction on account of such payments has to be made, and the Board is therefore of opinion that the fact that a claim is not made at the time of assessment under section 23 should not be held to be a bar to making the claim if there are any subsequent proceedings under section 34.

V. S. SUNDARAM,

Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

Copy of letter from the Incometax Officer, II Circle, Madras, No. A-60/28-29 dated 21st December 1928. 14/1/29

Incometax Act (XI) - Section 20&48 - Rule 14 -Certificate under - Dividends derived partly derived from non-taxable sources - Refunds - Basis of calculation - Central Board of Revenue's circular R. Dis. 25/27-740/I.T. of 26 dated 15-10-27.

I beg to report below the percentage of non-taxable income to the total income in the case of Messrs. Binny & Co., (Madras) Ltd. Madras.

Year of assessment.	year of account.	Total income including income from tax-free securities.	Income from tax-free securities.	Percentage of non-taxable income to total income.
1928-29	31-12-27	Rs. 1160046 (includes Rs. 7500 from agriculture)	Rs. 84072	7.89 % (includes .65 % being percentage of agricultural income to total income)

Office of the Commissioner of Incometax,
Madras, dated 21st December 1928.

Endorsement.

Communicated to all Commissioners of Incometax.

S. L. Sastri
For Commissioner.

Copy to all Incometax Officers in Madras Presidency.

JJ9/1.

No. 1567 13-2-29
Copy forwarded to the Coll^r of
Asst. Comm^r. of Incometax,
Coorg, Bangalore

for Secy. to the Board &
Comm^r. of Incometax

y

Copy of letter from the Incometax Officer, South Kanara, Mangalore dated 20th December 1928.

442V
14/1/29

Refunds - Dividends derived partly from non-taxable sources - Basis of calculation - Your memorandum dated 17th December 1928.

The information called for is furnished below:-

Name of company.	Year of account.	Year of assessment.	Total profits.	Profits excluding non-taxable income.	Interest on tax-free securities.	Percentage of nontaxable profits to total profits.
The Kanara Banking Corporation Ltd., Udipi.	~~xxxxx~~ 31-12-27	1928-29	36524	30193	6331	17.33
The Kanara Bank Ltd., Mangalore.	-do-	-do-	88444	87169	1275	1.44

Endorsement.

Communicated to the Commissioner of Incometax, Bombay with reference to his letter No.F.I.-308/28 dated the 15th December 1928.

S. T. Sastri
For Commissioner.

Copy to all other Commissioners of Incometax.
" all Incometax Officers in Madras Presidency.

JJ 9/1.

No 1568. 13-2-29.
Copy forwarded to the Coll.r & Asst. Commr.r of Incometax Coms.rs Bangalore.

for Secy. to the Board of Commr.r of Income

R.V. Ramanathan
21.1.29

OFFICE OF THE COMMISSIONER OF INCOME-TAX, BURMA.

No. 198 II-28/28 Pt.I.

RESIDENT'S OFFICE

Dated Rangoon, the 11th January, 1928.

Subject:- Refunds - Section 48 - Dividends derived partly from non-taxable sources - Form of Certificate under Section 20 & Rule 14 - Basis of calculation.

The Copy ~~Copies~~ of the attached statement is ~~are~~ forwarded to the Commissioner of Income-tax, ... Bangalore....., with reference to paragraph 5 of the Central Board of Revenue's Circular R. Dis. No. 25 of 1927, 740-I.T.26, dated the 15th October 1927, for information.

(T) S.R. 1 / 38-18

for Commissioner of Income-tax, Burma.

IKR/12-9.

No. 1542/ruel. 13-2-29

Copy forwarded to the Coll^r. & Asstt. Comm^r. of Income-tax Cons Station, Bangalore.

for Secy. to the Resdt & Comm^r. of Income-tax

K.V. Ramanathan

Name of Company.	Year of assessment.	Accounting year.	Total profits during accounting year.	Profits not taxed in British India.		Total income assessed excluding amount shown in Column (5)	Percentage of non-taxable profits (5 & 6) to total profits (4).	Percentage of taxed profits (7) to total profits (4)
				Interest on tax-free securities of Govt. of India or Local Govts.	Agricultural income, U.K. profits etc.			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Messrs. The Oriental Telephone & Electric Co., Ltd., Rangoon.	1928-29	Year ending 31-12-27.	£66165-15-2 @ Exchange Sh: 1/5 55/64 d. = Rs 8,89,156	-	* Rs 2,30,334	Rs 6,58,822	25%	75%

Income accrued outside British India.

No.P.I.342/28.

427
14/1/29
338/28

From

Khan Bahadur J.B.Vachha, B.A.,B.Sc
Commissioner of Income-tax,
Bombay Presidency.

To The Secretary to the Resident in Mysore
& Commissioners of Income-tax.
Bangalore.

Office of the Commissioner of
Income-tax, Bombay Presidency,
5, Wallace Street,
Bombay, 10th January 1929.

Sir,

Refunds - Dividends derived partly from non-taxable sources - Basis of calculation - Central Board of Revenue's Circular R.Dis.No 25/27-740/I.T.26 dated 15.10.1927.

S.28.1
38-18

With reference to paragraph 5 of the above Circular I have the honour to furnish below the percentage of profits assessed during the year 1928-29 excluding income from tax-free securities in the case of the undermentioned Companies:-

Name of Company.	Year of accounts ended.	Percentage of profits assessed excluding income from tax-free securities.	Percentage of interest on tax-free securities, to total profits (Not taxed)	Percentage of non-taxable income to total income.
1.The Hubli Ginning & Trading Co.Ltd.Hubli.	31.8.27			
2.The Hubli Company Ltd.Hubli.	31.12.27	100%		
3.The Deccan Paper Mills, Co. Ltd. Poona.	31-3-28	95.30%	4.70%	4.70%

I have the honour to be,
Sir,
Your most obedient servant,

10.1.29
For Commissioner of Income-tax,
Bombay Presidency

No. 1573 13-2-29.
Copy forwarded to the Coll. & Asstt. Comm^r of Income-tax, Cons^le Bangalore.

for Secy. to the Resident

Statement showing the percentage of income from nontaxable sources to the total income in respect of the following companies assessed to tax for 1928-29.

Name of Company.	Year of accounts ended.	Percentage of profits assessed - excluding income from tax-free securities.	Percentage of interest on taxfree securities to total profits(Not taxed).	Percentage of nontaxable income to total income.
1. The Currimbhoy Mills Co.Ltd., Bombay	31.3.28		100%	100%
2 The Volkarts United Press Co.,Ltd.,Bombay.	30.6.27		100%	100%
3. The New Prince of Wales Press Co.,Ltd.,Bombay.	30.6.27.		100%	100%

****

No.P.I.146/28.

Office of the Commissioner of Income-tax, Bombay Presidency, 5, Wallace Street,

BOMBAY, 17th January 1929.

Copies forwarded with compliments to --

(1) All Commissioners of Income-tax for information.

(2) All Assistant Commissioners of Income-tax in Bombay Presidency with the requisite number of copies for distribution amongst the Income-tax Officers under them.

(3) The Special Inspecting Officer, Bombay Presidency, for information.

17.1.29.
For Commissioner of Income-tax.
Bombay Presidency

D/17.1.29.

No. 1341. 8-2-29.
Copy forwarded to the Collr. & Asstt. Commr of Income-tax, Cochin & Bangalore
Secy. to the Rt. Hon. for Commr of I.T.

P.V. Ramanathan

OFFICE OF THE COMMISSIONER OF INCOME-TAX, BURMA. 840 V

No. 937 / 11-28/28 Pt.I. 24/1/29

Dated Rangoon, the 18th January, 1928.

Subject:- Refunds - Section 48 - Dividends derived partly from non-taxable sources - Form of Certificate under Section 20 & Rule 14 - Basis of calculation.

I am directed to forward ~~Copies~~ Copy of the attached statement ~~are~~ is forwarded to the Commissioner of Income-tax, ... Bangalore....., with reference to paragraph 5 of the Central Board of Revenue's Circular R. Dis. No. 25 of 1927, 740-I.T.26, dated the 15th October 1927, for information.

S. No 1 38-18.

David Reuben 11.1.29

P.A.,
for Commissioner of Income-tax, Burma.

TKR/12-9.

No 1342/2nd S2. 8-2-28
Copy forwarded to the Chief Auth. Commr. of Income-tax, Coorg & Bangalore

of Company.	Year of Assessment.	Accounting year.	Total profits during accouting year.	Profits not taxed in British India.		Total income assessed excluding amount shown. in Column (5).	Percentage of non-taxable profits (5 & 6) to total profits (4).	Percentage of taxed profits (7) to total profits (4).
				Interest on tax-free securities of Govt.of India or Local Govts.	Agri-cultural income U.K. Profits etc.etc.			
1.	2.	3.	4.	5.	6.	7.	8.	9.
			Rs		Rs	Rs		
rs. Steel & Co., Rangoon.	1928-29	Year ending 31st December 1927.	4976703		243640*	4733063	4.9%	95.1%

* Income accrued outside British India.

/14-1.

f Company	Year of assessment.	Accounting year.	Total profits during accounting year.	Profits not taxed in British India		Total income assessed excluding amount shown in column (5).	Percentage of non-taxable profits (5 & 6) to total profits (4).	Percentage of taxed profits (7) to total profits (4).
				Interest on tax-free securities of Govt. of India or Local Govts	Agricultural income, U.K. profits etc. etc.			
1	2	3	4	5	6	7	8	9
s. Rowe Ltd., on.	1928/29	Year ended 31/3/1928	Rs. 940293/-	Rs. 12000/		Rs. 928293/-	1.28%	98.72%

0/1.

D.O.D.Dis.No.358-ii-I.T/28. CENTRAL BOARD OF REVENUE.

Simla the 28th May 1928.

Dear Mr. Johnston,

Reports & Returns - Annual Income-tax Reports - Assessment, etc.
S.N. 129 T
Board's Office Memorandum D.Dis.No.358-I.T/28, dated 30th April 1928.
Your D.O.C.No.C-82(i), dated 17th May 1928.

In your letter quoted above you ask the meaning of -

(i) the expression "persons assessed" in column 2 of the form set out in the Memorandum quoted above;

(ii) the expression "persons declared liable to tax" in column 5 of the form;

(iii) the heading "Tax on incomes in column 4" in column 6.

In reply, I am desired to say that

(i) by "person assessed" in column 2 is meant persons whose income has to be ascertained for the purpose of determining whether they are liable to tax or not; otherwise the figure in column 2 would be identical with that in column 5 of the form which shows separately the number of persons ultimately declared liable to tax;

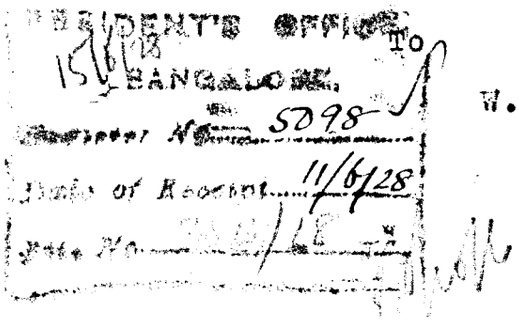
(ii) "persons declared liable to tax" in column 5 does not bear the same interpretation as in my demi-official letter C.No.258-I.T/26, dated the 4th January 1927; in that case the object was to lay down standards of establishment and therefore the words were given a special meaning. Here the object is quite different;

(iii) your are right in assuming that column 6 should show the tax that would have been imposed if the income shown...

shown in the return furnished by the assessee had been accepted.

Yours sincerely,

Sd/- V. S. Sundaram.



To

W. Johnston, Esqr., I.C.S.,
Commissioner of Income-tax,
Bihar & Orissa.

Copy of correspondence forwarded to all other Commissioners of Income-tax.

By order, etc.,

T. S. Johnson
27.5.28

for Secretary, Central Board of Revenue.

No. 6209 dt 23-6-1928
Copy forwarded to the Coll^r of Asstt. Comm^r of Income-tax, Com Sts, Bangalore.

B.R.S.
29/5.

C.V. Ramanathayer
16.6.28

for Secy to the Resdt
Comm^r of Income-tax

Government of India.

D.O. No. C-82(1). Office of the Commissioner of Income-tax, Bihar and Orissa.

Dated, Hinoo (Ranchi), the 17th May 1928.

Dear Mr. Sundaram,

Reports and Returns - Annual Income-tax Reports Assessment etc.-. Your Office Memorandum D.Dis.No. 358-1/I.T./28, dated the 30th April, 1928.

S.N.128 (T)

.....

Kindly refer to your Office Memorandum quoted above. In this connection, will you kindly let me know whether the expression "persons assessed" in column 2 means "persons declared liable to income-tax", or, whether, on the other hand, it includes persons whose income has to be ascertained for the purpose of determining whether they are liable to income-tax or not. The latter is the interpretation of the expression in Board's Circular C.No.15/258-I.T/26, dated the 22nd March, 1926. But as that Circular was issued in a different connection, I am not certain whether the definition holds good in the present case.

not registered

2. Again, is the expression "persons declared liable to tax" to be interpreted in the same way as it was interpreted in your D.O. C.No.258-I.T./26 dated the 4th January, 1927 to my address.

Col. 5 S.N.129 (T)

3. Again, the heading in column 6 is "Tax on incomes in column 4". Does this mean the tax which would have been imposed if the income shown in the return under S.22(2) had been accepted or does it mean the tax actually imposed after action had been taken under the various sub-sections of Sections 22 and 23. I presume it means the former on the assumption that one of the objects of this return is to prove that if assessees' returns of income were ordinarily accepted the amount of tax assessed would be only nominal, and that therefore the methods of the department sometimes described as inquisitorial are as justified.

Yours sincerely,

W. Johnston,
17-5-28.

To

V. S. Sundaram, Esqr.,

Secretary, Central Board of Revenue,

Simla.

[R. O. 106 (a)].

All communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

OFFICE OF THE RESIDENT IN MYSORE,

Bangalore, 8-2-1929

No. 1770 ENCLOSURES

~~A copy of~~ The marginally* noted ~~letter, with enclosure,~~ are forwarded communications.

1) Letter *No. PI 336/28 dated 22.1.29 from the Comm^r. of I.T., Bombay
2) Endst. no. PI 146/28 dt 23.1.29 from the Comm^r. of I.T. Bombay.
3) Letter No. Sc/339, dt 15.1.29 from ... do.
4) Memo. No. 14159-208 C.T. dt 20.12.28
5) Memo. No. 14209-58 C.T. dt 21.12.28

} to the Coll^r. & Asstt. Comm^r. of Income-tax, Cons^r., Bangalore

} Dy. Tax Comm^r. of I.T. Bengal.

For Secretary to the Resident.

E.V.P. 6.2.29

—522—15-9-1927—5,000—REB.

Statement showing the percentage of [illegible] sources to the total income in respect of the following assessed to tax in Bombay Presidency for 1928-29.

Name of Company.	Year of accounts ended.	Percentage of profits assessed excluding income from tax-free securities.	Percentage of interest on tax-free securities to the total profits (not taxed).	Percentage of non-taxable income to the total income.
1, The General Corporation Ltd., Bombay.	31.3.28	100%	...	...
2. The Hajeebhoy Aden Salt Works Ltd.,Bombay.	31.3.28	100%	...	...
3. The Swadeshi Mills Co.,Ltd., Bombay.	31.12.27	100%	...	...
4. The Bombay Cotton Manufacturing Co.,Ltd., Bombay.	31.3.28.	100%	...	....
5. The Crescent Mills Co.,Ltd., Bombay.	31.3.28	...	100 %	100 %
6. The All India Construction Co.,Ltd.,Bombay.	15 months ended 30.9.28.	100%	...	...
7. The Automobile Co.,Ltd.,Bombay.	29.2.28	100%	...	...
8. The Mahaboob-shahi Kulburga Mills Co.Ltd., Bombay.	31.12.27	100%	...	This Co.however appears to have paid no dividend in Br.India.
9. The Jam Manufacturing Co. Ltd.,Bombay.	31.12.27.	100%	...	...
10. Messrs.Kerring Rupchand & Co. Ltd., Poona.	30.6.27	100%	...	...
11. The Rowntree Mc.Kenzie & Co. Ltd., Poona.	31.3.28	100%	...	...
12. The Bharat Knitting Works Co. Ltd., Poona.	20.11.27.	~~100%~~ Exempt.	...	...
13. The Bank of Barsi Ltd.,Barsi	31.3.28	100%	...	...
14. The Shivaji Mills & Bank Barsi Ltd.,Barsi	31.12.27	Exempt.	...	...

P.T.O.

PTO

Name of Company	Year of accounts ended.	Percentage of profits assessed excluding income from tax-free securities.	Percentage of interest on tax-free securities to the total profits (not taxed).	Percentage of non-taxable income to the total income.
15. The Jayshankar Mills Barsi Ltd.,Barsi.	30.9.27	Exempt.		
16. The Maharashtra Mills Barsi Ltd Barsi.	30.9.27	Exempt.		
17. The Lokmanya Mills Barsi Ltd Barsi.	31.10.27.	Exempt 100%		

****

No.P.I.274/28

Office of the Commissioner of Income-tax, Bombay Presidency
5, Wallace Street

BOMBAY, 5th February 1929

Copy forwarded with compliments to

(1) All Commissioners of Income-tax for information.

(2) All Assistant Commissioners of Income-tax, in Bombay Presidency with the requisite number of copies for distribution amongst the Income-tax Officers under them.

(3) The Special Inspecting Officer, Bombay Presidency, for information.

5.2.29.
For Commissioner of Income-tax
Bombay Presidency.

2041.

D/5.2.29.

No:- 26-2-29
Copy forwarded to the
Commr. & A.C. of Income-tax
Constation Bangalore

for Sec. to the Resdt.
Commr. of I.T.

No.P.I.257/28.

Khan Bahadur J.B.Vachha, B.A.,B.Sc.,
Commissioner of Income-tax,
Bombay Presidency.

To The Secretary to the Resident in Mysore
Commissioner of Income-tax,
Bangalore

Office of the Commissioner of
Income-tax, Bombay Presidency,
5, Wallace Street,
BOMBAY, 14th December 1928.

Refunds - Dividends derived partly from nontaxable sources - Basis of calculation - Central Board of Revenue's Circular R.Dis.No.25/27-740-I.T.26 - dated 15.10.27.

With reference to paragraph 5 of the above Circular, I have the honour to furnish below the percentage of profits assessed during the year 1928-29 excluding income from tax-free securities in thecase of the undermentioned Companies:-

Name of Company.	Year of accounts. ended	Percentage of profits assessed excluding income from tax-free securities.	Percentage of interest on - taxfree securities to the total profits (Not taxed).	Percentage of non-taxable income to - total income.
1.The Bombay Life Assurance Co.Ltd., Bombay.	V.R.for triennium ended 31.3.25	2.7%	97.3%	97.3%
2.The Bombay Cycle & Motor Agency Ld. Bombay.	31.3.28	100 %		
3.The Anchor Line Ltd., Bombay.	31.12.27	Exempted.		
4.The Parsi Spg.& Wg.Mills Ltd., Bombay.	31.12.27	Exempted.		

* The shareholders of this company are, however, entitled to full refund its business profits having been wiped off by the amount of depreciation due and allowed.

I have the honour to be,
Sir,
Your most obedient servant,

14.12.28.
For Commissioner of Income-tax,
Bombay Presidency.

[R. O. 106 (a)].

All communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

OFFICE OF THE RESIDENT IN MYSORE,

Bangalore, 17/12 January 1929

No. 595 ENCLOS. /

A copy of the marginally* noted letter, ~~xxxxxxxxxx~~, is forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore.

*No P.I.257/28 dated the 14th December, 1928 from the Commissioner of Income-tax, Bombay.

for *Secretary to the Resident.*
Captain.

532—15-9-1927—5,000—RPB.

No. P.I.257/28.

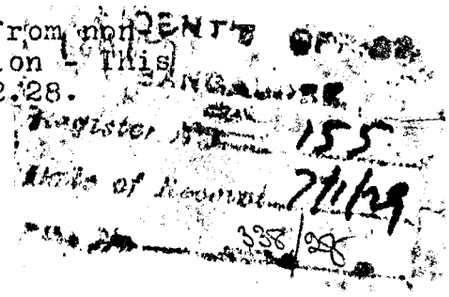
Office of the Commissioner of Income-tax, Bombay Presidency, 5, Wallace Street

BOMBAY, 21st December 1928.

CORRIGENDUM.

Refunds - Dividends derived partly from non-taxable sources - Basis of calculation - This office letter No.P.I.257 dated 14.12.28.

Flag F



For the words and figures

"V.R. for triennium ended 31.3.1925"

occurring in column 2 against item No.1 regarding the Bombay Life Assurance Co.,Ltd., Bombay in the above letter, read

"V.R. for the triennium ended 31.12.1925"

4.1.29
For Commissioner of Income-tax,
Bombay Presidency.

To

(1) All Commissioners of Income-tax.

(ii) All Assistant Commissioners of Income-tax, Bombay Presidency, with the requisite number of copies for distribution amongst the Income-tax Officers under them with reference to this office endorsement No.P.I.257/28 dated 14.12.28.

(iii) The Special Inspecting Officer, Bombay Presidency, with reference to this office endorsement No.P.I. 257/28 dated 14.12.28.

Cir. No. 4 of 1929.
R. Dis. No. 304-I.T./26.

CENTRAL BOARD OF REVENUE.

New Delhi, the 29th January 1929.

CIRCULAR.

Double Income-tax Relief—United Kingdom and British India—Method of calculation. Board's Circular No. 5398, dated the 17th November 1924.

In the Board's Circular quoted above, instructions were issued that "Indian rate of tax" as defined in Section 49 (2) (*b*) of the Indian Income-tax Act, 1922, should be arrived at by adding together the income-tax and super-tax paid in India and dividing the total so arrived at by the larger of the two incomes that are taken into account for the calculation of super-tax and income-tax respectively, and the *amount* of relief was to be computed on the larger of the incomes so chosen as the divisor. In the United Kingdom, on the other hand, "doubly charged" income is divided into different parts, *viz.*, (*a*) that which bears income-tax or super-tax only, (*b*) that which bears both super-tax and income-tax and (*c*) that which bears neither, and relief is calculated separately on parts (*a*) and (*b*), taking the Dominion rate of tax on (*a*) to be the rate of Indian Income-tax or super-tax, as the case may be, and that on (*b*) to be the combined rate of Indian income-tax and super-tax.

2. The difference between the two methods is illustrated by the example given below. Let the assessee be a company and one lakh of rupees be the income subject to double income-tax. Under the Somerset House method the income is divided into two parts :—

(*a*) liable to income-tax only, Rs. 50,000 ;

(*b*) liable to both super-tax and income-tax, Rs. 50,000.

On (*a*) Somerset House give relief at 1·5 annas in the rupee–the entire income-tax paid in India— which is less than half the English rate of tax, and on (*b*) they allow half the English rate, *viz.*, 1·6 annas per rupee, the Indian rate, 2·5, being in excess of half the English rate. If we followed the same method in India also we should allow nothing on (*a*) and ·9 anna per rupee on (*b*), that is, the total relief in India would be 45,000 annas.

Under our method the calculations are as follows : The tax paid by the Company in India is 2,00,000 annas. The Indian rate of tax is 2 annas and the relief given =2 *minus* 1·6=·4 anna per rupee. Therefore the amount of relief =40,000 annas. It will be seen that when we apply our system while Somerset House apply theirs, the assessee loses 5,000 annas. If we also adopted the Somerset House method, the assessee would obtain full relief.

3. It has now been decided that double income-tax relief payable in British India under section 49 of the Indian Income-tax Act should be computed in future in accordance with the Somerset House method explained above. It may be assumed, until challenged, that, as far as possible, the part of income charged to income-tax only and the part charged to super-tax only should run "concurrently", so that in effect there will ordinarily be only two parts to take into account, *viz.*, the part charged either to income-tax or to super-tax and the part charged to both.

4. The same practice should be applied to cases of individuals also ; but the income charged to super-tax should not be divided into separate " slabs " and a computation made for each slab separately, but the income liable to super-tax should be considered as a whole and a single rate worked out.

Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

No. 1781 19-2-29
Copy forwarded to the
Coll^r. & Asst. Comm^r.
of Income-tax, Com
station, Bangalore.

16/2
for Secy. to the Resdt.
& Comm^r. of I.T.

16.2.29

GIPD—753 CBR—6 2-29—1,160.

Cir. No. 4 of 1929.
R. Dis. No. 304-I.T./26.

CENTRAL BOARD OF REVENUE.

New Delhi, the 29th January 1929.

CIRCULAR.

Double Income-tax Relief—United Kingdom and British India—Method of calculation. Board's Circular No. 5398, dated the 17th November 1924.

In the Board's Circular quoted above, instructions were issued that "Indian rate of tax" as defined in Section 49 (2) (*b*) of the Indian Income-tax Act, 1922, should be arrived at by adding together the income-tax and super-tax paid in India and dividing the total so arrived at by the larger of the two incomes that are taken into account for the calculation of super-tax and income-tax respectively, and the *amount* of relief was to be computed on the larger of the incomes so chosen as the divisor. In the United Kingdom, on the other hand, "doubly charged" income is divided into different parts, *viz.*, (*a*) that which bears income-tax or super-tax only, (*b*) that which bears both super-tax and income-tax and (*c*) that which bears neither, and relief is calculated separately on parts (*a*) and (*b*), taking the Dominion rate of tax on (*a*) to be the rate of Indian Income-tax or super-tax, as the case may be, and that on (*b*) to be the combined rate of Indian income-tax and super-tax.

2. The difference between the two methods is illustrated by the example given below. Let the assessee be a company and one lakh of rupees be the income subject to double income-tax. Under the Somerset House method the income is divided into two parts :—

(*a*) liable to income-tax only, Rs. 50,000 ;

(*b*) liable to both super-tax and income-tax, Rs. 50,000.

On (*a*) Somerset House give relief at 1·5 annas in the rupee–the entire income-tax paid in India— which is less than half the English rate of tax, and on (*b*) they allow half the English rate, *viz.*, 1·6 annas per rupee, the Indian rate, 2·5, being in excess of half the English rate. If we followed the same method in India also we should allow nothing on (*a*) and ·9 anna per rupee on (*b*), that is, the total relief in India would be 45,000 annas.

Under our method the calculations are as follows : The tax paid by the Company in India is 2,00,000 annas. The Indian rate of tax is 2 annas and the relief given =2 *minus* 1·6=·4 anna per rupee. Therefore the amount of relief =40,000 annas. It will be seen that when we apply our system while Somerset House apply theirs, the assessee loses 5,000 annas. If we also adopted the Somerset House method, the assessee would obtain full relief.

3. It has now been decided that double income-tax relief payable in British India under section 49 of the Indian Income-tax Act should be computed in future in accordance with the Somerset House method explained above. It may be assumed, until challenged, that, as far as possible, the part of income charged to income-tax only and the part charged to super-tax only should run "concurrently", so that in effect there will ordinarily be only two parts to take into account, *viz.*, the part charged either to income-tax or to super-tax and the part charged to both.

4. The same practice should be applied to cases of individuals also ; but the income charged to super-tax should not be divided into separate " slabs " and a computation made for each slab separately, but the income liable to super-tax should be considered as a whole and a single rate worked out.

(Sd.) V. S. SUNDARAM,

Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

GIPD—753 CBR—6 2-29—1,160

Cir. No. 4 of 1929.
R. Dis. No. 304-I.T./26.

CENTRAL BOARD OF REVENUE.

New Delhi, the 29th January 1929.

CIRCULAR.

Double Income-tax Relief—United Kingdom and British India—Method of calculation. Board's Circular No. 5398, dated the 17th November 1924.

In the Board's Circular quoted above, instructions were issued that " Indian rate of tax " as defined in Section 49 (2) (*b*) of the Indian Income-tax Act, 1922, should be arrived at by adding together the income-tax and super-tax paid in India and dividing the total so arrived at by the larger of the two incomes that are taken into account for the calculation of super-tax and income-tax respectively, and the *amount* of relief was to be computed on the larger of the incomes so chosen as the divisor. In the United Kingdom, on the other hand, " doubly charged " income is divided into different parts, *viz.*, (*a*) that which bears income-tax or super-tax only, (*b*) that which bears both super-tax and income-tax and (*c*) that which bears neither, and relief is calculated separately on parts (*a*) and (*b*), taking the Dominion rate of tax on (*a*) to be the rate of Indian Income-tax or super-tax, as the case may be, and that on (*b*) to be the combined rate of Indian income-tax and super-tax.

2. The difference between the two methods is illustrated by the example given below. Let the assessee be a company and one lakh of rupees be the income subject to double income-tax. Under the Somerset House method the income is divided into two parts :—

(*a*) liable to income-tax only, Rs. 50,000 ;

(*b*) liable to both super-tax and income-tax, Rs. 50,000.

On (*a*) Somerset House give relief at 1·5 annas in the rupee–the entire income-tax paid in India— which is less than half the English rate of tax, and on (*b*) they allow half the English rate, *viz.*, 1·6 annas per rupee, the Indian rate, 2·5, being in excess of half the English rate. If we followed the same method in India also we should allow nothing on (*a*) and ·9 anna per rupee on (*b*), that is, the total relief in India would be 45,000 annas.

Under our method the calculations are as follows : The tax paid by the Company in India is 2,00,000 annas. The Indian rate of tax is 2 annas and the relief given =2 *minus* 1·6=·4 anna per rupee. Therefore the amount of relief =40,000 annas. It will be seen that when we apply our system while Somerset House apply theirs, the assessee loses 5,000 annas. If we also adopted the Somerset House method, the assessee would obtain full relief.

3. It has now been decided that double income-tax relief payable in British India under section 49 of the Indian Income-tax Act should be computed in future in accordance with the Somerset House method explained above. It may be assumed, until challenged, that, as far as possible, the part of income charged to income-tax only and the part charged to super-tax only should run " concurrently ", so that in effect there will ordinarily be only two parts to take into account, *viz.*, the part charged either to income-tax or to super-tax and the part charged to both.

4. The same practice should be applied to cases of individuals also ; but the income charged to super-tax should not be divided into separate " slabs " and a computation made for each slab separately, but the income liable to super-tax should be considered as a whole and a single rate worked out.

(Sd.) V. S. SUNDARAM,

Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

GIPD—753 CBR—6 2-29—1,160

Cir. No. 4 of 1929.
R. Dis. No. 304-I.T./26.

CENTRAL BOARD OF REVENUE.

New Delhi, the 29th January 1929.

CIRCULAR.

Double Income-tax Relief—United Kingdom and British India—Method of calculation. Board's Circular No. 5398, dated the 17th November 1924.

In the Board's Circular quoted above, instructions were issued that " Indian rate of tax " as defined in Section 49 (2) (*b*) of the Indian Income-tax Act, 1922, should be arrived at by adding together the income-tax and super-tax paid in India and dividing the total so arrived at by the larger of the two incomes that are taken into account for the calculation of super-tax and income-tax respectively, and the *amount* of relief was to be computed on the larger of the incomes so chosen as the divisor. In the United Kingdom, on the other hand, " doubly charged " income is divided into different parts, *viz.*, (*a*) that which bears income-tax or super-tax only, (*b*) that which bears both super-tax and income-tax and (*c*) that which bears neither, and relief is calculated separately on parts (*a*) and (*b*), taking the Dominion rate of tax on (*a*) to be the rate of Indian Income-tax or super-tax, as the case may be, and that on (*b*) to be the combined rate of Indian income-tax and super-tax.

2. The difference between the two methods is illustrated by the example given below. Let the assessee be a company and one lakh of rupees be the income subject to double income-tax. Under the Somerset House method the income is divided into two parts :—

(*a*) liable to income-tax only, Rs. 50,000 ;

(*b*) liable to both super-tax and income-tax, Rs. 50,000.

On (*a*) Somerset House give relief at 1·5 annas in the rupee–the entire income-tax paid in India— which is less than half the English rate of tax, and on (*b*) they allow half the English rate, *viz.*, 1·6 annas per rupee, the Indian rate, 2·5, being in excess of half the English rate. If we followed the same method in India also we should allow nothing on (*a*) and ·9 anna per rupee on (*b*), that is, the total relief in India would be 45,000 annas.

Under our method the calculations are as follows : The tax paid by the Company in India is 2,00,000 annas. The Indian rate of tax is 2 annas and the relief given =2 *minus* 1·6=·4 anna per rupee. Therefore the amount of relief =40,000 annas. It will be seen that when we apply our system while Somerset House apply theirs, the assessee loses 5,000 annas. If we also adopted the Somerset House method, the assessee would obtain full relief.

3. It has now been decided that double income-tax relief payable in British India under section 49 of the Indian Income-tax Act should be computed in future in accordance with the Somerset House method explained above. It may be assumed, until challenged, that, as far as possible, the part of income charged to income-tax only and the part charged to super-tax only should run " concurrently ", so that in effect there will ordinarily be only two parts to take into account, *viz.*, the part charged either to income-tax or to super-tax and the part charged to both.

4. The same practice should be applied to cases of individuals also ; but the income charged to super-tax should not be divided into separate " slabs " and a computation made for each slab separately, but the income liable to super-tax should be considered as a whole and a single rate worked out.

(Sd.) V. S. SUNDARAM,

Secretary, Central Board of Revenue

To

All Commissioners of Income-tax.

GIPD—753 CBR—6 2-29—1,160

Cir. No. 4 of 1929.
R. Dis. No. 304-I.T./26.

CENTRAL BOARD OF REVENUE.

New Delhi, the 29th January 1929.

CIRCULAR.

Double Income-tax Relief—United Kingdom and British India—Method of calculation. Board's Circular No. 5398, dated the 17th November 1924.

In the Board's Circular quoted above, instructions were issued that " Indian rate of tax " as defined in Section 49 (2) (*b*) of the Indian Income-tax Act, 1922, should be arrived at by adding together the income-tax and super-tax paid in India and dividing the total so arrived at by the larger of the two incomes that are taken into account for the calculation of super-tax and income-tax respectively, and the *amount* of relief was to be computed on the larger of the incomes so chosen as the divisor. In the United Kingdom, on the other hand, " doubly charged " income is divided into different parts, *viz.*, (*a*) that which bears income-tax or super-tax only, (*b*) that which bears both super-tax and income-tax and (*c*) that which bears neither, and relief is calculated separately on parts (*a*) and (*b*), taking the Dominion rate of tax on (*a*) to be the rate of Indian Income-tax or super-tax, as the case may be, and that on (*b*) to be the combined rate of Indian income-tax and super-tax.

2. The difference between the two methods is illustrated by the example given below. Let the assessee be a company and one lakh of rupees be the income subject to double income-tax. Under the Somerset House method the income is divided into two parts :—

(*a*) liable to income-tax only, Rs. 50,000 ;

(*b*) liable to both super-tax and income-tax, Rs. 50,000.

On (*a*) Somerset House give relief at 1·5 annas in the rupee–the entire income-tax paid in India— which is less than half the English rate of tax, and on (*b*) they allow half the English rate, *viz.*, 1·6 annas per rupee, the Indian rate, 2·5, being in excess of half the English rate. If we followed the same method in India also we should allow nothing on (*a*) and ·9 anna per rupee on (*b*), that is, the total relief in India would be 45,000 annas.

Under our method the calculations are as follows : The tax paid by the Company in India is 2,00,000 annas. The Indian rate of tax is 2 annas and the relief given =2 *minus* 1·6=·4 anna per rupee. Therefore the amount of relief =40,000 annas. It will be seen that when we apply our system while Somerset House apply theirs, the assessee loses 5,000 annas. If we also adopted the Somerset House method, the assessee would obtain full relief.

3. It has now been decided that double income-tax relief payable in British India under section 49 of the Indian Income-tax Act should be computed in future in accordance with the Somerset House method explained above. It may be assumed, until challenged, that, as far as possible, the part of income charged to income-tax only and the part charged to super-tax only should run " concurrently ", so that in effect there will ordinarily be only two parts to take into account, *viz.*, the part charged either to income-tax or to super-tax and the part charged to both.

4. The same practice should be applied to cases of individuals also ; but the income charged to super-tax should not be divided into separate " slabs " and a computation made for each slab separately, but the income liable to super-tax should be considered as a whole and a single rate worked out.

(Sd.) V. S. SUNDARAM,

Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

GIPD—753 CBR—6 2-29—1,160

Cir. No. 4 of 1929.
R. Dis. No. 304-I.T./26.

CENTRAL BOARD OF REVENUE.

New Delhi, the 29th January 1929.

CIRCULAR.

Double Income-tax Relief—United Kingdom and British India—Method of calculation. Board's Circular No. 5398, dated the 17th November 1924.

In the Board's Circular quoted above, instructions were issued that "Indian rate of tax" as defined in Section 49 (2) (*b*) of the Indian Income-tax Act, 1922, should be arrived at by adding together the income-tax and super-tax paid in India and dividing the total so arrived at by the larger of the two incomes that are taken into account for the calculation of super-tax and income-tax respectively, and the *amount* of relief was to be computed on the larger of the incomes so chosen as the divisor. In the United Kingdom, on the other hand, "doubly charged" income is divided into different parts, *viz.*, (*a*) that which bears income-tax or super-tax only, (*b*) that which bears both super-tax and income-tax and (*c*) that which bears neither, and relief is calculated separately on parts (*a*) and (*b*), taking the Dominion rate of tax on (*a*) to be the rate of Indian Income-tax or super-tax, as the case may be, and that on (*b*) to be the combined rate of Indian income-tax and super-tax.

2. The difference between the two methods is illustrated by the example given below. Let the assessee be a company and one lakh of rupees be the income subject to double income-tax. Under the Somerset House method the income is divided into two parts :—

(*a*) liable to income-tax only, Rs. 50,000 ;

(*b*) liable to both super-tax and income-tax, Rs. 50,000.

On (*a*) Somerset House give relief at 1·5 annas in the rupee–the entire income-tax paid in India— which is less than half the English rate of tax, and on (*b*) they allow half the English rate, *viz.*, 1·6 annas per rupee, the Indian rate, 2·5, being in excess of half the English rate. If we followed the same method in India also we should allow nothing on (*a*) and ·9 anna per rupee on (*b*), that is, the total relief in India would be 45,000 annas.

Under our method the calculations are as follows : The tax paid by the Company in India is 2,00,000 annas. The Indian rate of tax is 2 annas and the relief given =2 *minus* 1·6=·4 anna per rupee. Therefore the amount of relief =40,000 annas. It will be seen that when we apply our system while Somerset House apply theirs, the assessee loses 5,000 annas. If we also adopted the Somerset House method, the assessee would obtain full relief.

3. It has now been decided that double income-tax relief payable in British India under section 49 of the Indian Income-tax Act should be computed in future in accordance with the Somerset House method explained above. It may be assumed, until challenged, that, as far as possible, the part of income charged to income-tax only and the part charged to super-tax only should run "concurrently", so that in effect there will ordinarily be only two parts to take into account, *viz.*, the part charged either to income-tax or to super-tax and the part charged to both.

4. The same practice should be applied to cases of individuals also ; but the income charged to super-tax should not be divided into separate " slabs " and a computation made for each slab separately, but the income liable to super-tax should be considered as a whole and a single rate worked out.

(Sd.) V. S. SUNDARAM,

Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

GIPD—753 CBR—6 2-29—1,160

(This has been communicated to all Asstt Commrs of Income-tax & Collectors of Customs)

Original in Reg. No. 1732/1929 this is in 38 Section S.N. 11 18

Conference of Commissioners of Income-tax—1928—Agenda—Item No. 5.

CIRCULAR No. 3 OF 1929.

R. DIS. No. 107-I. T.-28.

CENTRAL BOARD OF REVENUE.

New Delhi, the 26th January 1929.

CIRCULAR.

Indian Income-Tax Act, XI of 1922—Sections 20 and 48—Statutory Rule 14—Certificate under—Dividends derived partly from non-taxable source—refund. Board's Circular R. Dis. No. $\frac{25 \text{ of } 1927}{740\text{-I.T.}/27}$, dated the 15th October, 1927.

Reg. D

In the Board's circular quoted above, mention was made of the difficulties which had arisen in connection with refunds under section 48 of the Indian Income-tax Act, XIof 1922, in respect of dividends derived in part from non-taxable sources. In order to obviate those difficulties Rule 14 of the Indian Income-tax Rules, 1922, was amended so as to require the principal officer of a company to certify merely either that the entire profits had been or would be taxed, or that so much of the profits as was liable to Indian income-tax had been or would be taxed. Instructions were also issued to the Commissioners of Income-tax that as soon as the Income-tax Officer concerned had completed the assessment of a Company issuing a certificate in the second form he should at once report the proportion of its profits derived from non-taxable sources to the Commissioner of Income-tax who would communicate it to all his own Income-tax Officers and to all other Commissioners of Income-tax, each Commissioner, in turn, passing on the information to the officers in his own province. The object of these instructions was to obviate delays in dealing with claims to refunds from share-holders.

2. This procedure has led to a great amount of correspondence and has also failed in its object. It has been found impossible in practice to complete all the assessments of Companies, which certify that only a part of their profits has paid or will pay tax, within a reasonably early date, and refunds to share-holders have been delayed for periods which have rendered the Department liable to considerable criticism and which have led to frequent and increasing complaints.

3. After full consideration of the present position and the various methods for improvement which have been suggested, the Board have decided that the following arrangement should be introduced :—

(*i*) The present form of certificate attached to Rule 14 " that income-tax $\frac{(a) \text{ on the entire}}{(b) \text{ on such part as is liable to be charged to Indian income-tax of the}}$ profits and gains of the company, of which this dividend forms part, has been or will be duly paid....." will be retained.

(*ii*) Companies should be advised by Commissioners, not ordered, to add below the certificate, in cases where form (*b*) is used, a statement, where possible, to the following effect :—

"The Company has calculated that per cent. of the above dividend has been or will be charged to Indian Income-tax ", or where this is not possible as in the case of some *interim* dividends, or where the companies so prefer, to issue a circular to this effect. In the latter case, Companies should

also be advised to mark the circulars conspicuously with the recommendation to shareholders that the circular should be attached to the certificate when the latter is submitted to the Income-tax Officer in connection with a claim for a refund. If the information mentioned above is not given by the companies the shareholder must await the result of the assessment of the company before receiving any refund due to him. But in such cases, which they will doubtless be able to ascertain, Commissioners should arrange for the early assessment of the Companies concerned, so far as this is possible.

(*iii*) Such certificates will normally be accepted without question by Income-tax Officers for the purpose of granting refunds. But it should be understood that, if the certificates granted by any company are found to be unfair to the Revenue by a margin exceeding, say, five per cent., that company's certificates will not be accepted as correct in future and that the result of the actual assessment of the company will have to be awaited before refunds on its dividends are granted. And in extreme cases it might be necessary to review, under Section 33, any refunds granted. Such cases, however, will in all probability be rare.

(*iv*) It is anticipated that, as a general rule, companies will find no difficulty in calculating the percentage. If, however, such difficulty should arise, the Income-tax Officer should give any assistance possible to the company if requested to do so.

4. The decision not to accept a Company's certificates as correct will vest in the Commissioners of Income-tax who are requested to report any such cases to the Central Board of Revenue.

5. The Board will be glad if Commissioners of Income-tax will address the Companies within their jurisdiction as soon as possible. The Chambers of Commerce are also being informed of the instructions now being issued. The Board would add that the revised procedure is of an experimental nature, and they will be glad to have a report on its working in March 1930.

6. Certificates of deduction of tax which show that only a part of the profits and gains, of which the dividend forms part, has been or will be duly paid, should in cases when the shareholder asks for their return in connection with double income-tax relief be stamped (by means of a rubber stamp) to the following effect :—

" Refund allowed at*.....pies in the rupee
on*.....per cent. of this dividend.

.....192 Income-tax Officer. "

The entries at the places marked with an asterisk being entered in both words and figures.

(Sd.) V. S. SUNDARAM,
Secretary, Central Board of Revenue.

To

All Commissioners of Income-tax.

GIPD—772CBR—11-2-29—1,160.

8-3-29
2398
71319

Office of the Commissioner of Incometax,

No.Refds/28. Madras,dated 25th February 1929.

Incometax Act, 1922 - Sections 20 and 48 - Rule 14 Certificate under - Dividends derived partly from non-taxable sources - Refunds - Basis of calculation. Central Board of Revenue's Circular No.R.Dis.25/27-740-I.T.of 26,dated 15-10-1927.

The Sabhapathy Press Company Ltd., of Bellary has been assessed ~~xxxx~~ under Section 23(4) on its entire income. The company is under compulsory liquidation by an order of the High Court of Madras and no dividend has been declared for the last three years.

S. Ramakrishna Sastry
For Commissioner.

To the Incometax Officers.
Copy to Assistant Commissioners.
" Commissioners of Incometax of other Provinces.

Receipt No. 2398 & 2275

In view of the Central Board of Revenue's revised circular No. 3 of 1929, the communication of the P.A.C.'s to the Asstt. Commr. of I.T. is now unnecessary.

May be filed

EVR
9.3.29

VD
9/3

May U

Statement showing the percentage of income from non-taxable sources to the total income in respect of the following companies assessed to tax for 1928-29:-

Name of Company.	Year of accounts ended	Percentage of profits assessed exoluding income from tax-free securities.	Percentage of interest on tax-free securities to the total profits (Not taxed).	Percentage of non-taxable income to total income.
1	2	3	4	5
1. The Century Flour Mills Co. Ltd.Shikarpur.	30.4.28	Exempt.		
2. The Ice & Oil Co.,Ltd.Shikarpur.	31.3.28	Exempt.		
3. The Jupiter General Insurance Co., Ltd., Bombay.	30.6.27	51.9 %	48.1 %	48.1 %
4. The Barsi Light Railway Co.,Ltd. Kurduwadi.	31-3.28	100 %	...	...
5. The Gujarat Mining & Syndicate,Ltd.Ahmedabad.	31.12.27	Nil	Nil	Nil.
6. The Patel Mills Co.Ltd., Ahmedabad.	31.12.27	Nil.	Nil	Nil.
7. The Poona Bank,Ltd.Poona.	30.6.27.	Nil.	Nil	Nil.
8. The Atmaram Printing & Publishing Co.Ltd. Dhulia.	31.12.27	100 %	...	...
9. The Nandurbar Ginning and Pressing and Textile Co.Ltd. Nandurbar.	31.7.27.	100 %	...	...
10. The New Pratap Spg.,Wg., & Mfg.Co.,Ltd. Dhulia.	30.6.27.	100 %		...
11. The Bank of Baroda Ltd., Bombay.	31.12.27	Exempt.		
12. The Tata Iron & Steel Co.,Ltd.Bombay.	31.3.28.	100 %		

3275
4/3/29

No. P.I.395/28.

Office of the Commissioner of Income-tax,Bombay Presidency, 5, Wallace Street, Bombay, the 26th February 1929.

Copy forwarded with compliments to:-

(1) All Commissioners of Income-tax,for information. (2) All Assistant Commissioner of Income-tax in Bombay Presidency for information with the requisite number of copies for distribution amongst the Income-tax Officers under them. and (3) the Special Inspecting Officer, Bombay Presidency, for information.

27.2.29.

For Commissioner of Income-tax.

D/27.

No. P.I.390/28.

From

Khan Bahadur J.B.Vachha, B.A.,B.Sc.,
Commissioner of Income-tax,
Bombay Presidency.

To

The Secretary to the
Resident in Mysore &
Commissioner of Income-tax,
BANGALORE.

Office of the Commissioner of
Income-tax, Bombay Presidency,
5, Wallace Street,

BOMBAY, 21st February 1929.

Sir,

Refunds - Dividends derived partly from nontaxable sources - Basis of calculation - Letter No. Refunds/29 dated 30.1.29 from the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore - Your endorsement No. 1331 dated 8.2.29.

Extracts sent in flag U

****

With reference to your endorsement quoted above, I have the honour to inform you that the necessary information in respect of (a) The Andhra Valley Power Supply Co.,Ltd., Bombay and the New Great Eastern Spinning and Weaving Co.,Ltd., Bombay and (b) the Crescent Mills Co.,Ltd., Bombay, has already been furnished under this office Nos. P.I.146 dated 23.1.29 and P.I.274 dated 5.2.29 respectively. The New India Assurance Co. Ltd., Bombay, has been assessed to tax for 1928-29 on 57.75% of its profits.

× Sent in original to the Collector - vide flag W
Ø flag X

2) As regards the remaining two Companies the required information is being called for from the officers concerned and the same will be duly communicated to you on its receipt.

I have the honour to be,

Sir,

Your most obedient servant,

21.2.29.

For Commissioner of Income-tax,
Bombay Presidency.

D/21.

No. 2530 dt 3-29

Copy forwarded to the Coll^r. & Antt. Comm^r. of Income-tax, Comm^rs, Bangalore, in continuation of Residency endst no. 2041, dated the 26 th Feb 1929

for Secy. to the Resdt & Comm^r of I.T.

11/3

11.3.29

Date of Receipt 3/4/29
Case No.

Letter No.A.C.33 dated the 2nd March 1929 from Income-tax Officer, B-Division, Karachi to the Assistan Commissioner of Income-tax, Sind, Karachi.

With reference to your endorsement No.A.C.595 dated the 25th ultimo, I have the honour to state that the case of Messrs. The Karachi Steam Roller Flour Mills Ltd., ~~xxxxx~~ Karachi, has not yet been finally decided, but it is evident from the position put in by the company ~~xx~~ that the assessment for 1928-29 will be made on the entire profits shown for the accounting year April 1927 to 31st March 1928, after investigation of the company's claim for depreciation.

No. P.I.390/28.

Office of the Commissioner of Income-tax, Bombay Presidency, 5, Wallace Street,

BOMBAY, 16th M a r c h 1929.

Copy forwarded with compliments to:-

(1) All Commissioners of Income-tax, for information.

(2) All Assistant Commissioners of Income-tax, ~~In~~ Bombay Presidency, for information with the requisite number of copies for distribution amongst the Income-tax Officers under them.

(3) The Special Inspecting Officer, Bombay Presidency, for information.

16.3.29.
For Commissioner of Income-tax.
Bombay Presidency.

No. 4332 Dated. 15-3-29

D/16. Copy forwarded to the Collector and Asst. Commr. of Income-tax, C & M Station.

o/c

Major
forCOMMISSIONER OF INCOME-TAX.

M Ramachandra
15.4.29

Statement showing the percentage of income from non-taxable sources to the total income in respect of the following companies:-

	Name of Company.	Accounting period	Year of assessment.	Total income.	Income assessed	Percentage of non-taxable income to total income.	Source of non-taxable income-
	Messrs Arthur Butler & Co., Ltd., Muzaffarpur.	Not reported	1928-29	14,870	14,656	1.5 %	214 (Tax free securities)
2.	Express Auto Service Ltd. Dumka.	Do	1928-29	Not reported.	entire profit	nil	nil.

No. A-5/85.

Office of the Commissioner of Income-tax, Bihar & Orissa, Hinoo(Ranchi), the 23rd March 1929.

Copy forwarded to

(1) All Commissioners of Income-tax, for information.

(2) Two Assistant Commissioners and all Income-tax Officers, for information.

H. Graham
Commissioner of Income-tax
Bihar and Orissa.

M.N.B.
24-4-29.

No. 4335

15-5-29

Statement showing the percentage of income from non-taxable sources to the total income in respect of the following companies:-

	Name of Company.	Accounting period	Year of assessment.	Total income.	Income assessed	Percentage of non-taxable income to total income.	Source of non-taxable income-
1.	Messrs Arthur Butler & Co., Ltd., Muzaffarpur.	Not reported	1928-29	14,870	14,656	1.5 %	214 (Tax free securities)
2.	Express Auto Service Ltd., Dumka	Do	1928-29	Not reported.	entire profit	nil	nil.

No. A-5/85.

Office of the Commissioner of Income-tax,
Bihar & Orissa, Hinoo(Ranchi), the 23rd March 1929.

Copy forwarded to :-

(1) All Commissioners of Income-tax, for information.

(2) Two Assistant Commissioners and all Income-tax Officers, for information.

H. Graham
Commissioner of Income-tax
Bihar and Orissa.

J.N.B.
4-4-29.

No. 4334

15-5-29.

Statement showing the percentage of income from non-taxable sources to the total income in respect of the following companies assessed to tax for 1928-29.

No.	Name of company.	Year of accounts.	Percentage of profits assessed excluding income from tax free securities.	Percentage of interest on tax-free securities to the total profits (Not taxed).	Percentage on non-taxable income to total income.
1.	The Industrial & Prudential Assurance Co.Ltd.,Bombay.	V.R.for 5 years ended 31.12.27	70.75%	29.25%	29.25%
2.	The Ahmedabad New Cotton Mills Co.Ltd. Ahmedabad.	31.12.27	96%	4%	4%

No.P.I.371/28.

Office of the Commissioner of Income-tax, Bombay Presidency
5, Wallace Street,

BOMBAY, 18th March 1929.

Copies forwarded with compliments to:-

(1) All Commissioners of Income-tax, for information.

(2) All Assistant Commissioners of Income-tax in Bombay Presidency, for information with the requisite number of copies for distribution amongst the Income-tax Officers under them.

(3) The Special Inspecting Officer, Bombay Presidency, for information.

19.3.29
For Commissioner of Income-tax,
Bombay Presidency

V.19/3/29. No. 4333 Date. 15-5-29

Copy forwarded to the Collector and Asst. Commr. of Income-tax, C & M station, Bangalore.

O/C

for COMMISSIONER OF INCOME-TAX.

Receipt No.
3186

Please put
up the previous
statement referred
to in the
P. W. C. (not
the circular letter)
COR
27.3.29

OFFICE OF THE COMMISSIONER OF INCOME-TAX, BURMA.

Register No. 3180
Date 26/3/29
File No. 338/28

No. 4172 / 31-28/28/29 Pt.I.

Dated Rangoon, the March , 1929.

Subject:- Refunds - Section 48 - Dividends derived partly from non-taxable sources - Form of Certificate under Section 20 & Rule 14 - Basis of calculation. In supersession of statement forwarded with this Office No. 926/939/11.28/28 Pt.I, dated 12-1-1929

840. 24/1/29.

One Copy of the attached statement is forwarded to the Commissioner of Income-tax, Bangalore, with reference to paragraph 5 of the Central Board of Revenue's Circular R. Dis. No. 25 of 1927, 740-I.T.26, dated the 15th October 1927, for information.

18/3/29
P.A.
for Commissioner of Income-tax, Burma

TKR/12-9.

No. 3516/Excl 22-4-29
Copy forwarded to the Collr. & Distt. Commr. of Income-tax, Coorg Bangalore. in continuation of this office Endt Number 1842 dt. 2-29.

for Secy: to the Revd Commr. of I.T.

C.V.Ramanathan 23.3.29

REVISED STATEMENT.

e of Company	Year of assessment.	Accounting year.	Total profits during a/cg. year.	Profits not taxed in British India		Total income assessed excluding amount shown in column (5).	Percentage of non-taxable profits (5 & 6) to total profits.	Percentage of taxed profits (7) to total profits (4).
				Interest on tax-free securities of Govt. of India or Local Govts.	Agricultural income, U.K.profits etc. etc.			
1	2	3	4	5	6	7	8	9
s.Steel & Co., Rangoon.	1928/29	Year ending 31/12/1927.	£.428494	-	£* 75083	£* 353411	17.52%	82.48%

K. profits etc.

15/3.